Item 11: UNICEF Report of Board of auditors

Statement by the Netherlands

Mr. President,

The Netherlands is pleased that the Board of Auditors Report has issued an unqualified audit opinion on the financial statements for the biennium ended 31 December 2011. The report is a very important benchmark for information on UNICEF’s financial performance.

The biennium report 2010-2011 signals a few significant areas where UNICEF should take appropriate action and follow up on recommendations.

Prominent in the report is the relationship of UNICEF with its National Committees. This is an important area of the activities and public image of UNICEF and careful attention should be paid to the recommendations of the auditors. Particularly we would like to stress the following points;

a. The cooperation agreements with the National Committees are strengthened and are made similar and more transparent.

b. At least 75% of the funds raised by the National committees are received by UNICEF and transferred in a timely manner.

c. The remaining 25% is well accounted for by National Committees and not spent on activities which are not directly related to UNICEF. We wonder whether within the 25% kept by the National Committees, Policy Advocacy and Education for Development activities for UNICEF could be considered as expenses by the National Committees. We would like to hear UNICEF’s views on this.

d. UNICEF should strengthen its oversight and monitoring of the activities of the National Committees, including their financial performance.
Mr. President,

The report shows that oversight by UNICEF in the area of cash transfers is still weak and has to be strengthened. The Board of Auditors is concerned that insufficient monitoring and oversight could expose UNICEF to a significant risk of being unable to obtain sufficient assurance, as to the appropriate utilization of cash transfers made to partners, and even to a risk of fraud cases. We consider this an important point to follow up on expeditiously, also in relation to UNICEF’s aim to strengthen its risk management.

We would welcome more information on whether initial problems with the roll out of IPSAS and VISION in 2012 are completely solved now, or whether bottlenecks remain.

We are also interested to know what improvements have been made to reduce the high vacancy rates, which were also mentioned in the former Board of Auditor report.

Thank you Mr. President.